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UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

In re:	) NO. 13-04206-FLK11
	)
BEHLING DAIRY MANAGEMENT, INC.	) MOTION FOR AUTHORITY TO USE CASH COLLATERAL, FOR AUTHORITY TO GRANT REPLACEMENT LIENS AND FOR EMERGENCY HEARING
Debtor.	)

BEHLING DAIRY MANAGEMENT, INC. ("Debtor") files this Motion for Authority to Use Cash Collateral in accordance with 11 U.S.C. § 363 and states as follows:

BACKGROUND

1. Behling Dairy Management, Inc. operates a dairy in Mattawa, Washington. On average 1,200 cows are milked each day. Four hundred dry cows are also maintained at the dairy, together with approximately 120 bulls and 150 calves. In addition, the dairy has approximately 1,225 replacement heifers that are being raised offsite by a third party.

2. Debtor's primary financing is through Columbia State Bank. The bank has four separate loans. The aggregate balance owed to them is approximately $3,150,000.00. The bank loans are secured by a mortgage on the real property upon which the dairy is operated, the dairy animals, the dairy equipment, the feed inventory, the milk proceeds and miscellaneous tangible and intangible property belonging to the Debtor.

Zions Bank holds a second mortgage on the dairy real property in the approximate amount of $600,000.00.

3. During 2013, the dairy has been operating on a month-to-month basis from operating revenues. The Debtor has not had an ongoing line of credit upon which it could draw. The Debtor has been able to meet the bulk of its obligations on an ongoing basis.

4. On or about August 30, 2013, Pioneer Commodities, Inc. obtained a Judgment against the Debtor in the approximate amount of $349,000.00. Pioneer Commodities, Inc. garnished NW Dairy Association (NDA) on October 14, 2013. The Answer of NDA indicates they are holding $201,670.63. This money is proceeds and payment for a portion of the September 2013 milk delivered to it by the Debtor.

5. The Debtor is in immediate need of funds to continue operation of the dairy. Debtor has only a four to five day supply of grain on hand and a thirty-day or less supply of hay. The current supply of silage and haylage is adequate for present needs, but needs to be replaced on an ongoing basis. Adequate feed supply is necessary for the health of the herd and to maximize milk production.

6. Debtor is in immediate need of veterinarian supplies and sanitary supplies to meet the medical needs of the dairy herd and to property sanitize the milking parlor and milking equipment. Debtor also needs to meet its payroll obligations on an ongoing basis and needs to purchase feed.

7. At the present time it is imperative that the Debtor obtain authority from this Court, in accordance with 11 U.S.C. § 363(c)(2)(B) to use cash collateral in order to maintain its business operations and to protect its ability to reorganize in accordance with Chapter 11 of the Code. The use of cash collateral in this matter will also maximize the value of the cows as collateral for a portion of the secured debts and will preserve the value of the estate to all creditors.

RELIEF REQUESTED

8. In accordance with § 363(b)(2)(B) of the Code, Debtor requests that this Court authorize and approve Debtor's use of Cash Collateral for payments of its operating expenses as set forth in the Budge attached hereto as Exhibit A. In order to remain in possession of its property and to continue its

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business activity in an effort to achieve successful reorganization, the Debtor must be permitted to use cash collateral in its ordinary course of business. The Debtor currently has no alternative borrowing source from which Debtor could secure additional funding to operate its business.

9. Specifically, Debtor requires the use of cash collateral for the payment of certain operating expenses as set forth in the Budget attached hereto as Exhibit A. The Debtor believes that the expenses listed on the Budget are reasonable and necessary business expenses which must be paid in order to continue Debtor's business.

10. In an effort to adequately protect the interest of Columbia State Bank in the pre-petition collateral for the Debtor's use of Cash Collateral as requested in this Motion, Debtor is offering to provide the lender with a replacement lien to and in accordance with 11 U.S.C. § 361(2) in and to all property of the estate at this time presently securing the indebtedness owing to Columbia State Bank ("the Postpetition Collateral") purchased or acquired with the cash collateral of the bank.

11. In the event the Court does not authorize Debtor's use of cash collateral, the Debtor belies it will be unable to maintain its current business operations and will be unable to propose a Plan of Reorganization as contemplated by the Bankruptcy Code. Without the use of cash collateral, the Debtor will be seriously and irreparably harmed, resulting in significant loss to the Debtor's estate and to its creditors. Specifically, the value of the cows will diminish substantially if they are not properly feed and cared for and milked on a regular and ongoing basis.

REQUEST FOR EMERGENCY HEARING

12. The Debtor is without funds to operate. Debtor was depending upon the $201,670.00 payment from NDA on Friday, October 18, 2013, to pay its ongoing operating expenses. Debtor requires money at this time to meet its ongoing expenses of operation, including purchase of feed, supplies and other indispensable expenses, including labor. Failure to timely pay for such items will require the dairy to close down entirely, which will result in irreparable injury to the Debtor and its chance for an effective reorganization. The total amount required for these emergencies is not less than $200,000.00.

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WHEREFORE, Behling Dairy Management, Inc. requests that this Court enter an Order pursuant to 11 U.S.C. § 363(c)(2)(B) authorizing Debtor to use Cash Collateral for its ongoing business operation as described in this Motion and Budget attached hereto as Exhibit A and to grant Behling Dairy Management, Inc. such other and further relief as may be appropriate and just.

DATED: October 23, 2013.

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